

Millennium Challenge Albania MONITOR



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The two-year \$13.85 million Millennium Challenge Albania Threshold Agreement between the **Government of Albania (GoA)** and **Millennium Challenge Corporation (MCC, www.mcc.gov)**, administered by **USAID** assists the GoA to reform and modernize tax administration, public procurement, and business registration processes, through IT solutions and legislative enhancements.

LEGISLATIVE DEVELOPMENTS

Draft tax procedures law will streamline tax administration

In August, the Ministry of Finance, supported by the project, completed the drafting of a new tax procedures law, as well as the first internal review of this draft. The draft law addresses important administrative issues related to the way that the General Directorate of Taxation (GDT) conducts its daily business. Some of the major improvements proposed include a revision of sanctions, or penalty regimes, for tax violations, with fewer and fairer penalties; disciplinary procedures for breaches by tax officials and employees; a clear definition of taxpayer rights and obligations; strengthening of provisions relating to confidentiality, third party information issues, registration, taxpayer record-keeping, cash register rules, and debt enforcement provisions. These new rules and procedures will create a more streamlined tax administration that places much more emphasis on positive taxpayer relations and simpler requirements. Once the internal review is completed, the draft law will be offered for public consultations.

Legal framework for the National Registration Center completed

During July and August the Council of Ministers reviewed and approved all secondary legislation that established NRC as a legal entity. This included CoM orders regarding NRC's organization and staffing, new registration procedures, fee structure for registration services, and other items. A joint order of the Ministers of Justice and METE initiated the process for transferring the commercial registers from the 29 District Courts to the NRC in time for the beginning of NRC operations on September 3. This marks the beginning of the process for creating the electronic Commercial Registry under the NRC in compliance with the NRC Law and EU directives.

INSTITUTIONAL CAPACITY BUILDING

Piloting modern Taxpayers Services in Tirana

Modernizing the taxpayer services in Albania is a key goal for the Millennium Challenge Albania project. The objective is to increase the efficiency in assessment and collections, save taxpayer time, ensure better information for them, and reduce opportunities for corruption. To this end, the project is supporting GDT in upgrading its procedures and organizational structure, hiring and training staff, preparing plain language publications, and developing outreach plans and activities. When the construction of the taxpayer service facility at the new GDT headquarters is completed, the project will also provide IT equipment and the Customer Relation Management software designed for these services.

Dear reader,

September 3 marks an historic day for businesses in Albania. The National Registration Center (NRC) will open its doors to become the only place where you register your business and update your company's records. Gone are the days when it took a legal process, many days and many visits to various government offices to get your business registered. Now, by visiting the NRC in Tirana, an NRC municipal service window, or the NRC web page (www.qkr.gov.al) you can obtain all the information and the forms you need to register your business, through an administrative process. And you will pay only 100 Leks for any of the many registration or record update services offered at NRC.

NRC makes good on the government's promise to offer a one-stop, one-day registration process for business in Albania. With your application completed correctly either at NRC or in your own office and the appropriate documents to support it, you can submit the request for registering your business to NRC or an NRC municipal service window and get a response in one day. Once the e-signature law is approved, then you will be able to fully register your company on-line. This is the government's initiative to make establishing a business in Albania easier, faster, and cheaper.

We thank wholeheartedly the Millennium Challenge Albania Threshold Agreement project for supporting the government in making this dream for businesses in Albania come true. We also are grateful to the many experts and leaders in the Ministry of Economy, Trade, and Energy, and outside who made it possible to establish NRC in less than a year.

As this issue of the Millennium Challenge Albania Monitor goes to print, some of you will have already been visiting NRC or our web site either to register your new business or to update the records of your company. I hope that your experience was and will always be pleasant.

Sincerely,
Mr. Tomi Kola
National Registration Center Director



PP officials from five regions take the certification exam at the end of the training workshop.

Newly hired NRC staff members prepare to begin work

In July METE announced the appointment of the NRC Director, Mr. Tomi Kola, former Economic Advisor to Minister Ruli. In July and August Mr. Kola led the process for hiring the NRC staff based on the position descriptions and staffing structure proposed by the project. By the end of August, 22 newly-hired NRC employees and 26 municipal staff appointed to serve at NRC municipal windows completed a two-week intensive training on the NRC legal framework, forms and procedures, and the e-registration system.

Public procurement officials certified

During August PPA, supported by the project, focused on developing the capacity of public procurement officials at the municipal and commune level. A total of 207 public procurement officials from 207 municipalities and communes were certified after completing the training workshops that took place in Shkodra, Elbasan, Durrës, Saranda, Berat, Dibra and Korça. This brings the number of trained public procurement officials to 670 since January 2007. The Public Procurement Manual distributed at these training workshops will help the certified officials to implement effectively the new regulatory framework.

E-GOVERNMENT

Large taxpayers test the e-filing and e-payment systems

In early August ten large taxpayers 'got a taste' of how easy and convenient filing taxes electronically could be. These business taxpayers participated in the first test of the system for e-filing and e-payment of monthly VAT declarations that was developed by the project. They found the system clear and easy to work with. E-filing of business tax declarations will increase efficiency and reduce costs for both the taxpayers and GDT.

E-procurement gets the blessing of economic operators

In August, 27 economic operators participated in testing the e-procurement platform developed by the project. Internet service providers, construction companies, and many other types of businesses tried the system by acting as bidders in simulated public tenders, 'submitting offers' from their own offices using the e-procurement platform. They provided useful feedback for making the system more user-friendly and strongly supported it. These tests will continue through September.

The NRC web site launched

Starting August 28 businesses have an on-line address where they can find the information they need for registering and updating their records. At the NRC web site www.qkr.gov.al/ businesses can find all business registration and record update forms, detailed instructions on how to complete and submit their application, as well as the legal framework for business registration in Albania. The forms have been thoroughly tested to assure that they are user-friendly and comply with other Albanian commercial laws, such as the Company Law.

For questions about the project and to subscribe to this newsletter, call or write to us at:

Millennium Challenge Albania Threshold Agreement

Project office
Classic Construction Building
"Pjetër Budi" Street,
1st floor, nr. 10
Tirana, Albania
Tel: +355-4-380-400
Fax: +355-4-380-424
E-mail: office@mcata.org.al
www.mcata.org.al

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Screenshot of the NRC home page.

PUBLIC OUTREACH

Major effort to inform the public on new e-services

Increasing private sector awareness and compliance with the new services developed by the project is key to the success of the Government of Albania reforms supported by the project. With the opening of the National Registration Center on September 3 approaching, the project has increased efforts to inform the public about the upcoming NRC services. Preparations for a fully-fledged public awareness campaign were completed by the end of August. The first phase of the campaign, which will run under the slogan "E-public service: Making business in Albania easier!", will reach all corners of the country and will extend over three months.



The poster of the NRC campaign

UPCOMING EVENTS

- NRC will be open for business on September 3. The NRC Grand Opening event will take place on September 10.
- The public awareness campaign on NRC services will be launched on September 1.
- The live test of the VAT e-filing for large taxpayers authorized by GDT will take place in mid-September.
- The offices of the Public Procurement Advocate will be inaugurated in late September.
- Customer relation training for NRC staff, GDT Taxpayers Service staff, and PP Advocate staff will take place in September and October.

"I would love to see this system used in public tenders in Albania. It will make life easier for all of us." by a businessperson that participated in the e-procurement test.